

# **EXHIBIT A**

**CONFIDENTIAL**

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**LEXINGTON PRECISION CORPORATION****Projected Sources and Uses of Funds at closing as of February 29, 2008****Sources of funds:****Sale of Rock Hill, SC Facility**

Sales price	32,000,000
Increase in working capital from December 31, 2007 to February 29, 2008	446,000
Less: WY Campbell fee	(480,000)
Less: Lexington Precision Corporation legal expenses	(200,000)
Less: Indemnification escrow amount	(500,000)
Net cash received on sale	<u>31,266,000</u>

**New loans received:**

New secured lender:	
Secured term loan A	17,400,000
Secured debt B loan	<u>4,880,000</u>
Total new loans	<u>22,280,000</u>

Total sources of funds	<u>53,546,000</u>
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**Use of funds:****Loans outstanding at closing:**

Capital Source Finance LLC:	
Equipment term loan	8,751,000
Real estate term loan	9,900,000
CSE Mortgage - real estate term loan	<u>4,000,000</u>
Subtotal	<u>22,651,000</u>

**12% Senior Subordinated Notes:**

Held by insiders	\$7,772,000	Converted to equity	-
Held by outsiders	\$26,405,000	One-half paid in cash	<u>13,202,500</u>
			<u>13,202,500</u>

13% Junior Sub Notes & accd interest (\$419,000 converted to equity)	<u>-</u>
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Series B Preferred Stock	<u>693,000</u>
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Other	<u>19,000</u>
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**Pay past due interest:**

12.0% senior subordinated notes	<u>8,589,642</u>
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**Interest paid at closing:**

CapitalSource (February 28 days) (January and February)	
Revolving line of credit	96,000
Equipment term loans	79,085
Real estate term loan	89,480
Other miscellaneous fees	8,000
CSE Mortgage - real estate term loan	<u>49,944</u>
Subtotal - interest paid at closing	<u>322,509</u>

**Fees and expenses paid at closing:**

CapitalSource Finance LLC early termination fee of 1%.	
Revolver	144,150
Equipment term loan	87,510
Real estate term loan	99,000
CSE Mortgage LLC early termination fee	40,000
CapitalSource Finance LLC amendment fee	<u>92,000</u>

New secured lender fee	365,790
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**Legal and other professional services:**

W. Y. Campbell & Company	274,343
Surveys	
Survey - Landair Surveying Co. of Georgia	
Survey - Hammontree & Associates, LTD	
Phase 1 - Clayton Group Services	100,000
Equipment appraisal - AccuVal Associates	
Real estate appraisal - Cushman Wakefield	
Nixon-Peabody	<u>100,000</u>

Take out small shareholders	<u>1,000,000</u>
	<u>2,302,793</u>

Income taxes	<u>1,195,000</u>
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Total uses of funds	<u>48,975,444</u>
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Excess funds	4,570,556
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Revolving loan balance just prior to closing	<u>14,614,000</u>
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Revolving loan balance after closing	<u>10,043,444</u>
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